

## **Minutes of the Meeting of January 29, 2016**

**of the**

### **MASSACHUSETTS TEACHERS' RETIREMENT BOARD**

#### **I. Regular Matters of Business**

In attendance at this regular meeting of the Massachusetts Teachers' Retirement Board ("the Board") were Chairman Jeff Wulfson, Vice Chair Nicola Favorito, Jacqueline A. Gorrie, Richard L. Liston, Dennis J. Naughton, Anne Wass, Executive Director Erika Glaster, Assistant Executive Director Jon Osimo, General Counsel James Salvie, and Executive Assistant Helen Petruzzello. Ms. Quinn and Mr. Neilon were absent due to personal reasons.

The meeting was called to order at approximately 9:00 a.m.

The minutes of the previous Board meeting, held on December 18, 2015, were reviewed and approved as submitted on a motion made by Mr. Naughton and seconded by Ms. Wass. The motion carried 4-0-2 with Mr. Liston abstaining due to his absence and Ms. Gorrie abstaining due to her status as board member-elect at the December meeting.

**VOTED: The Open and Executive minutes of the Board meeting held on December 18, 2015, are hereby approved as submitted.**

#### **II. Executive Session**

The Chairman stated that in addition to the consideration of disability retirement applications, the Board would discuss negotiations for the pending office space lease in executive session, pursuant to G.L. c. 30A, §21 (a)(6), and that an open meeting discussion would have a detrimental effect on the negotiating position of the agency. On a motion made by Mr. Liston and seconded by Mr. Naughton to enter into executive session for these purposes, the roll call vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes

Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

At approximately 9:01 a.m. the Board went into Executive Session. The Chairman stated that the Board would return to Open Session.

At approximately 11:14 a.m. the Board reconvened in Open Session.

### III. Open Session

#### A. TERMINATION RETIREMENT APPLICATION

Mr. Osimo presented the termination retirement application of Debra Hardy. The Board reviewed the materials and after a brief discussion, determined that Ms. Hardy was terminated involuntarily, not offered a similar position and there was no moral turpitude surrounding her termination. On a motion to approve the termination retirement application, made by Mr. Naughton and seconded by Mr. Liston, the roll call vote was as follows:

<b>VOTED:</b> Vice Chair Nicola Favorito	Yes
Jacqueline A. Gorrie	Yes
Richard L. Liston	Yes
Dennis J. Naughton	Yes
Anne Wass	Yes
Chairman Jeff Wulfson	Yes

**VOTED: The termination retirement application of Debra Hardy was approved.**

#### B. REVIEW OF REGULATIONS 807 CMR 9.00 AND 12.00, PURSUANT TO EXECUTIVE ORDER 562

Deputy Counsel James O'Leary joined the meeting to present recommendations for Regulations 807 CMR 9.00 and 12.00, pursuant to Executive Order 562. On a motion made by Ms. Wass and seconded by Mr. Liston, the Board voted

unanimously 6-0 to approve staff's recommendations to make no changes to 807 CMR 9.00 and to put the proposed amendments for 807 CMR 12.00 out for public comment.

### C. EXECUTIVE DIRECTOR'S REPORT

1. Ms. Glaster pointed out that PERAC Memorandum #5/2016 regarding continuing educational credit offerings for the first quarter of CY 2016 was included in the board materials this month for the Board members' reference.
2. Upon Ms. Glaster's explanation behind "2015 Year in Review", the comprehensive report of activities over the past calendar year included in the board materials, the Board expressed their appreciation, noting the succinct format. Ms. Glaster also noted that drafts of strategic planning and initiatives will be included on future board meeting agendas.
3. Ms. Glaster apprised the Board of recent developments concerning four issues that arose out of a series of meetings for GASB68 accounting between the Office of the Comptroller, the State Board of Retirement, KPMG and MTRS. Ms. Glaster reported that two of these issues involve MTRS and progress has been made by all parties, which also includes PERAC, and they have agreed to seek guidance and confirmation from tax counsel in resolving these two issues by the use of an accounting methodology. Ms. Glaster will let the Board know of any updates.
4. In Mr. Neilon's absence, Ms. Glaster reported that the bill H.20 *An Act related to the forfeiture of pension upon conviction of child pornography and other offenses* was progressing well through the Legislative process.
5. The Board held a discussion concerning the recent recommendation by the Commonwealth's actuary, James Lamenzo, and approval by State Treasurer Goldberg and the PERAC Commission, to reduce the investment rate of return assumption, potentially increasing the Commonwealth's actuarial liability by \$2.0 billion. The Board again expressed their concern over the increasing unfunded liability of the system and felt that this development was consistent with their recent letter to Secretary Lepore which communicated their apprehension. Ms. Glaster indicated that she will follow up with Ms. Lepore's office to arrange a meeting with the Board.
6. Ms. Glaster reported that she had conducted final interviews in the past week for a replacement for the recently vacated position of Human Resources Director and will be announcing her final decision very soon.

7. Ms. Glaster recognized this period's Star Award recipients Carrie Murphy, from the Service Credit Administration unit, and Josh Gendreau, from the Network Services unit, nominated by their respective managers for exemplary service to the agency. The Board commended the staff members and made the recommendation of inviting line staff members to future board meetings, if the agenda allows.

On a motion made by Mr. Naughton and seconded by Mr. Liston, the Board voted unanimously to adjourn the meeting at approximately 12:05 p.m.

Respectfully submitted,

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**Erika M. Glaster, Executive Director**

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Date

**Documents used in MTRS Board meeting of January 29, 2016**

- Agenda for January 29, 2016 MTRS Board meeting
- Cover letter from Executive Director
- Open minutes and executive minutes of December 18, 2015 MTRS Board meeting
- Memorandum and supporting documents pertaining to discussion of negotiation strategy for proposed main office space lease
- Memorandum and supporting documents pertaining to Termination Retirement
- Memorandum and supporting documents pertaining to review of Regulations 807 CMR 9.00 and 12.00, pursuant to Executive Order 562
- Memorandum and supporting documents pertaining to request for out of state travel for executive director